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The Supply-Side IT Outsourcing: The Malaysian Window

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IT Outsourcing has been around in Malaysia since 1990s after the famous Kodak Effect was much hyped in the US media in 1989. Among the early adopters of ITO in Malaysia include The Prime Minister's Office, Malaysia Postal Office, Amanah Saham Nasional, Smart Schools project and financial institutions. Computerisation of public services and Bank Negara Malaysia directives for financial institutions sped ITO growth in Malaysia. Firstly, the study found that ITO models or arrangements are much similar to other developed countries practices as found by Currie (2000) such as: (1)Consultancies/service providers, (2)Hardware vendors, (3)Systems houses, (4)Generic outsourcers, (5)Niche player consultancies and (6)Niche player IT suppliers. Based on the findings, IT outsourcing challenges to Malaysian companies include: i.Competition with India and China? a) Cost and population vs. value propositions, b) Competences and capabilities and c) Multi-languages, political and economic stability. These challenges must be considered by relevant parties in Malaysia outsourcing industry. Secondly, skill-sets of IT graduates are very important to support the industry. The findings show that besides technical skills, non-technical skills are growing in importance and often become a second pre-requisite to employability requirement. These include ethics, attitudes, communication skills, confidence, multilingual especially good English language as well as good values. In our cross-IHLs comparison analysis, for example, IIUM and MMU, as part of national MQA requirements, require students to complete general studies, language courses and co-curricular activities besides the technical skills taught by respective faculties or departments. This aims to balance the strengths of graduates in moral/ethics, social responsibilities and specific relevant job skills. Hence, depending much on the graduates and also preferences of potential employers, our analysis suggests that the curriculum in Malaysia is equivalent/similar with International curriculum such as ACM, AICTE, North American and European universities curriculum. Finally, the critical success factors are mainly divided into internal and external factors. The internal factors are generic and depend on the vendors' organizations and its staff capabilities, reputation, past records, size, presence and certification among others. The external factors include the environment surrounding it such as clients organizations and staff, government, competitors, regulations, industry and other stakeholders for example.